

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
Meeting Date: March 21, 2017**

Request to Amend Infill Grant Documents under the California Recycle Underutilized Sites (“CALReUSE”) Remediation Program

Prepared by: *Alison French-Tubo*

Applicant: Studio 15 Housing Partners, LP (Affirmed Housing Group)	Type of Funding: Grant
Project Name: Studio 15	Grant Amount: \$244,560.00
	Amount Disbursed: \$189,749.76
Project Location: San Diego, California (San Diego County)	Prior Actions: Application No. 02 Approved 11/19/08

Summary. Studio 15 Housing Partners, LP (“Grantee”) is requesting an amendment to the Infill Grant Agreement (“Grant Agreement”) to extend the term of the Grant Agreement until September 30, 2019.

Project Background. On November 19, 2008, the Board approved a grant in the amount of \$244,560 to Grantee to fund remediation at a brownfield site to develop the Studio 15 project (“Project”). The approved project is an affordable rental community providing 275 housing units (273 affordable).

Multiple businesses occupied the site between its original development in the 1930’s and the early 2000’s. Soil and groundwater testing identified concentrations of tetrachloroethylene (PCE), trichloroethylene (TCE), chloroform, lead and copper.

The project has been in operation, with occupancy above 90%, since 2009. DTSC has certified the remediation as complete with the exception of on-going Operation and Maintenance (O&M). The grant funding was awarded for implementation of the O&M plan, and satisfaction of future O&M events including air sampling and testing, and groundwater and vapor monitoring and testing (O&M sampling/testing). To date, \$189,749.76 has been disbursed for the implementation of the O&M plan and the O&M sampling/testing, leaving \$54,810.24 in remaining Grant allocation.

Current Request. Studio 15 Housing Partners, LP requests an extension of the term of the Infill Grant Agreement from July 10, 2017 to September 30, 2019.

At the time of the award the Grantee anticipated the O&M sampling/testing would be completed prior to the expiration of the Infill Grant Agreement on July 10, 2017. However, the site conditions have resulted in DTSC requiring on-going testing until the current time. DTSC issued a letter on December 2, 2016 stating that sampling and testing will continue on a semi-annual schedule. This has led to the request to extend the grant expiration date.

Agenda Item 4.B.2

The Grantee has demonstrated that continued O&M sampling and testing is required by DTSC beyond the current grant term. The Grantee has submitted the Brownfield Infill Project Report and the Infill Development Project Report which satisfy the brownfield cleanup and housing requirements of the Grant Agreement. The remaining allocation of \$54,810.24 will fund up to six O&M sampling/testing cycles. The Grantee anticipates the remaining funds will be exhausted by April 2019. The time between April 2019 and September 2019 will allow for submittal and processing of the final Disbursement Request.

Therefore the requested extension date of September 30, 2019 is appropriate.

Staff Recommendation. Staff recommends that the CPCFA Board approve a Resolution to extend the term of the Grant Agreement to September 30, 2019.

**A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
APPROVING THE REQUEST TO AMEND THE INFILL GRANT DOCUMENTS
UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION
PROGRAM**

March 21, 2017

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program (the “Program”); and

WHEREAS, the statutory provisions of the Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans; and

WHEREAS, the Authority on November 19, 2008 awarded a grant for the Studio 15 project in the amount of \$244,560 to the Studio 15 Housing Partners, LP (the “Grantee”); and

WHEREAS, the Grantee has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement dated October 18, 2010 (the “Grant Agreement”); and

WHEREAS, the Grantee has requested an extension of the term of the Grant Agreement to continue sampling and testing in accordance with the Department of Toxic Substance Control’s requirements for Operation and Maintenance;

WHEREAS, the Authority finds that extending the term of the Grant Agreement from July 10, 2017 to September 30, 2019 advances the purposes of the Program;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The term of the Grant Agreement is extended to September 30, 2019.

Section 2. Except as specifically amended in Exhibit A hereof, all provisions and conditions of Exhibit A of the Grant Agreement dated October 18, 2010 shall remain unchanged and in full force and effect.

Exhibit A (Revised March 21, 2017)

Name of Project: Studio 15
Maximum Amount of Grant: \$244,560
Grantee: Studio 15 Housing Partners, L.P.
Financing Structure: Grant
Maximum Grant Term: September 30, 2019
Oversight Agency: Department of Toxic Substances Control (DTSC)
Brownfield Infill Project Location: 1475 Imperial Avenue
 San Diego, CA 92101

Further described as Parcel Number 535-621-01.

Infill Development Project Description: The Project will consist of 275 units of affordable housing restricted at less than or equal to 50-60% of the area median income (AMI) as illustrated below.

Units	Income Limit
173	≤ 50% AMI
100	≤ 60% AMI
2	Manager's Units
275	Total Units

Description of Activity	Amount Financed by Infill Grant
Operation and Maintenance (O&M) Plan Implementation	\$61,000
Satisfaction of Future O&M Events	\$183,560
Total Eligible Brownfield Infill Project Costs:	<u>\$244,560.00</u>